

Message Text

CONFIDENTIAL

PAGE 01 BRUSSE 12801 01 OF 02 061400Z
ACTION EUR-12

INFO OCT-01 NEA-10 IO-13 ISO-00 AID-05 CEA-01 CIAE-00
COME-00 EB-08 FRB-03 INR-10 NSAE-00 SP-02 STR-07
TRSE-00 LAB-04 SIL-01 OMB-01 AGRE-00 L-03 /081 W
-----031639 061406Z /50/45

P 291745Z JUN 78

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC PRIORITY 7569

INFO ALL EC CAPITALS

AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY LISBON

AMEMBASSY MADRID

AMEMBASSY RABAT

AMEMBASSY TUNIS

USMISSION GENEVA

C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 12801

USEEC

CORRECTED COPY--LN 4 PARA 4 ADDED

PARIS ALSO FOR USOECD

E.O. 11652: GDS

TAGS: EEC, GR, SP, PO, ETRD, TS, TU, MO

SUBJ: EC FOREIGN MINISTERS COUNCIL, JUNE 26-27, 1978:

TEXTILES

REF: (A) 77 BRUSSELS 14470(NOTAL) (B) BRUSSELS 10770
(NOTAL) (C) BRUSSELS 11252(NOTAL)

1. SUMMARY: THE JUNE 26-27 EC FOREIGN MINISTERS COUNCIL
HELD A BROAD DISCUSSION OF PROBLEMS POSED FOR THE COM-
MUNITY THROUGH INCREASING TEXTILE PRODUCT IMPORTS FROM
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRUSSE 12801 01 OF 02 061400Z

GREECE, TURKEY, SPAIN, PORTUGAL, MOROCCO AND TUNISIA.
THE MINISTERS AGREED THAT CONSULTATIONS SHOULD BE HELD
WITH GREECE, AT A JUNE 30 MEETING OF THE EC-GREECE
ASSOCIATION COMMITTEE, TO TRY TO SETTLE THE PROBLEM OF
GREEK IMPORTS. THE EC COMMISSION WILL ALSO SEEK SPANISH
AGREEMENT TO NEGOTIATE ON THE BASIS OF THE QUANTITY CEIL-
INGS IMPOSED BY THE EC COUNCIL IN ITS OCTOBER 1977

DECISION CONCERNING EC TEXTILE NEGOTIATIONS WITH THIRD COUNTRIES. THE COMMISSION CONTINUES TO RECOMMEND COUNCIL APPROVAL OF THE RECENTLY INITIALLED EC-PORTUGAL TEXTILE AGREEMENT, BUT THE UK APPEARS UNWILLING TO GO ALONG UNTIL AFTER THE GREEK AND SPANISH CASES HAVE BEEN SETTLED. PROBLEMS WITH TURKEY, TUNISIA AND MOROCCO ARE SAID TO BE MANAGEABLE. END SUMMARY.

2. COUNCIL DISCUSSION WAS STIMULATED BY INCREASINGLY APPARENT TRENDS IN TEXTILE IMPORTS FROM GREECE, SPAIN, AND PORTUGAL, SHOWING THAT ALL THREE ARE NOW OVER THE CEILINGS AGREED BY THE COUNCIL LAST OCTOBER, WHEN IT APPROVED THE MANDATE TO OPEN BILATERAL NEGOTIATIONS WITH THIRD COUNTRY TEXTILE EXPORTERS (REF A). THOSE NEGOTIATIONS FAILED TO PRODUCE AGREEMENTS WITH SPAIN OR GREECE, AND THE AGREEMENT WITH PORTUGAL (REF B) HAS ONLY BEEN CONCLUDED AD REFERENDUM. HOWEVER, ALL THREE COUNTRIES HAD BEEN INFORMALLY NOTIFIED BY THE COMMISSION THAT, AS LONG AS THEIR EXPORTS TO THE COMMUNITY STAYED BELOW THE CEILINGS IN THE COMMISSION'S MANDATE, NO SAFEGUARD ACTIONS WOULD BE TAKEN AGAINST THEM.

3. THE GREEK CASE POSED PERHAPS THE MOST DIFFICULT ISSUE FOR THE COUNCIL. COMMISSION OFFICIAL TRAN VAN TINH TOLD MISSION OFFICER JUNE 27 THAT COMMISSION HAD EARLIER WORKED OUT MODUS VIVENDI WITH GREEK INDUSTRY INVOLVING LIMITS ON CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BRUSSE 12801 01 OF 02 061400Z

EXPORTS OF T-SHIRTS TO THE UK AND OF UNDERSHIRTS TO FRANCE, BUT THAT GREEK INDUSTRY AND GOVERNMENT HAVE RECENTLY SHOWN THEMSELVES UNWILLING TO OBSERVE THIS ARRANGEMENT. TRAN SAID COUNCIL AGREED TO COMMISSION RECOMMENDATION THAT EC-GREECE ASSOCIATION COMMITTEE BE CALLED INTO SESSION ON URGENT BASIS TO TRY TO SETTLE THE PROBLEM AND THAT MEETING OF THAT COMMITTEE HAS BEEN SCHEDULED FOR JUNE 30. HE ADDED THAT, IF THESE CONSULTATIONS, WHICH ARE REQUIRED BY THE ASSOCIATION AGREEMENT, PROVE UNSUCCESSFUL, THE COMMISSION WILL CALL FOR THE EC TO BEGIN TAKING SAFEGUARD MEASURES AT THE BEGINNING OF NEXT WEEK. TRAN ALSO SAID THAT THE PROBLEM IN THE GREEK CASE HAS BEEN THAT THE ASSOCIATION AGREEMENT HAS NO GENERAL SAFEGUARD CLAUSE, BUT THAT EC HAS NOW PROVEN THAT THE GREEK GOVERNMENT HAS BEEN GIVING REBATES ON INTEREST CHARGES FOR LOANS CONTRACTED BY THE GREEK TEXTILE INDUSTRY. THE EC WILL CONFRONT GREEKS WITH THIS INFORMATION JUNE 30, AND, IF NO FAVORABLE RESPONSE IS RECEIVED, THE EC WILL INVOKE ARTICLE 55 OF THE ASSOCIATION AGREEMENT, WHICH ALLOWS EITHER SIDE TO ADOPT SAFEGUARD MEASURES IN THE ABSENCE OF SATISFACTORY ASSOCIATION COUNCIL ACTION TO REMEDY TRADE IRREGULARITIES.

4. ACCORDING TO TRAN, TURKEY HAS LONG BEEN WILLING TO REACH AN UNDERSTANDING WITH EC BUT HAD SET AS A PRE-CONDITION THAT GREECE BE GIVEN EQUAL TREATMENT. NOW THAT EC CAN MOVE AGAINST GREEKS, TRAN EXPECTS TO REACH AN AMICABLE SETTLEMENT WITH TURKEY RAPIDLY.

5. ACCORDING TO PERMREP SOURCES, THE COMMISSION AND COUNCIL CONSIDERED THE PROBLEM OF SPANISH IMPORTS TO BE LESS SERIOUS THAN THAT OF GREECE. THE COUNCIL AGREED THAT, BEFORE CONSIDERING THE APPLICATION OF SAFEGUARD MEASURES, THE COMMISSION SHOULD SEEK SPANISH AGREEMENT TO RENEW TEXTILE NEGOTIATIONS UNDER ARTICLE 11 OF THE 1970 EC-SPANISH TRADE AGREEMENT.
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 BRUSSE 12801 01 OF 02 061400Z

6. THE AD REFERENDUM PORTUGUESE AGREEMENT CONTINUES TO POSE PROBLEMS FOR THE UK. THE COMMISSION HAS DEFENDED THE ARRANGEMENT, ARGUING THAT THE COUNCIL SHOULD TAKE

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BRUSSE 12801 02 OF 02 291807Z
ACTION EUR-12

INFO OCT-01 ISO-00 NEA-11 IO-13 AID-05 CEA-01 CIAE-00
COME-00 EB-08 FRB-03 INR-10 NSAE-00 SP-02 STR-07
TRSE-00 LAB-04 SIL-01 OMB-01 AGR-01 CTME-00 L-03
/083 W

-----092150 291911Z /45

P 291745Z JUN 78

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC PRIORITY 7570

INFO ALL EC CAPITALS

AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY LISBON

AMEMBASSY MADRID

AMEMBASSY RABAT

AMEMBASSY TUNIS

USMISSION GENEVA

C O N F I D E N T I A L SECTION 02 OF 02 BRUSSELS 12801

USEEC

PARIS ALSO FOR USOECD

INTO CONSIDERATION THE LARGE PORTUGUESE TRADE DEFICIT WITH THE COMMUNITY IN GENERAL AND WITH THE UK AND FRANCE IN PARTICULAR. HOWEVER, THE UK IS MAINTAINING ITS POSITION OF PRINCIPLE (REF C) THAT THE COMMISSION SHOULD NOT HAVE UNILATERALLY EXCEEDED THE TERMS OF ITS MANDATE FROM THE COUNCIL IN AGREEING TO FIGURES ABOVE APPROVED CEILINGS. UK TRADE MINISTER DELL TOLD REPORTERS AFTER THE COUNCIL DISCUSSION THAT THE EC SHOULD SEEK AN IMMEDIATE AGREEMENT TO LIMIT PORTUGUESE IMPORTS ALREADY OVER THE CEILINGS, AND THAT THE COMMISSION SHOULD FORMULATE PROPOSALS FOR THE COUNCIL CONCERNING UNILATERAL PORTUGUESE RESTRAINT ON PRODUCTS NOT YET OVER THE CEILINGS. DELL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRUSSE 12801 02 OF 02 291807Z

SAID THAT THE UK ALSO WANTS THE PORTUGUESE AGREEMENT TO CONTAIN AN "EXIT FROM THE BASKET" MECHANISM ON NON-SENSITIVE PRODUCTS. HE ANNOUNCED THAT THE UK WOULD MAINTAIN ITS RESERVE ON THE AGREEMENT FOR THE TIME BEING.

7. TRAN SAID THAT MOROCCO AND TUNISIA HAVE BOTH AGREED TO RESTRAIN LEVEL OF THEIR EXPORTS; MECHANISM FOR CONTROL IS ENTIRELY IN THEIR HANDS. TRAN STATED THAT TO DATE HIS INDICATIONS ARE THAT THEY ARE RESPECTING AGREED LIMITS SCRUPULOUSLY. HINTON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, TRADE, FOREIGN MINISTERS MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE12801
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780279-0512
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978069/aaaaahfi.tel
Line Count: 205
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: fdc4e390-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 BRUSSELS 14470, 78 BRUSSELS 10770
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2467977
Secure: OPEN
Status: NATIVE
Subject: EC FOREIGN MINISTERS COUNCIL, JUNE 26-27, 1978: TEXTILES
TAGS: ETRD, GR, SP, PO, TS, TU, MO, EEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/fdc4e390-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014